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Middle East Oil: Importance to the Free World and to Middle East Countries, the Challenge of Soviet Oil Exports, Treinds Toward Increased Government Control, Reaction of the Operating Companies to Pressures Against Them, and Future Prospects.

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King of Nepal Assumes Direct Control of Government

King Mahendra's arrest of the Nepali Congress party cabinet of Prime Minister B. P. Koirala on 15 December, his suspension of the 1959 constitution, and his assumption of direct rule appear to have been motivated by his long-smoldering dissatisfaction with the government's performance. Domestic and personal issues appear to have been his major considerations, a fact emphasized by the King's public assurance that Nepal's nonaligned foreign policy will remain unchanged.

In his statement, the King accused the government of inefficiency and corruption and of failure "to give the country stability and lead it to progress." It is apparent also, however, that he has been afraid that the popular Koirala would in time eclipse the monarchy and threaten the King's supremacy.

Mahendra's position is considered sufficiently strong to ensure his control of the situation; he has assumed personal control of the government before, but not since the 1959 elections which resulted in a three-fourths majority in Parliament for Koirala's Congress party. With that strength and with Koirala's personal appeal, the party had offered the country its best hope of achieving stability and economic development.

Mahendra is neither as sophisticated in international matters nor as able an administrator as Koirala. Thus, if he decides to rule directly for some time--as appears his intent--the government may exhibit more naiveté in dealing with Peiping and Moscow, somewhat greater distrust of New Delhi, and perhaps more reserve with the West. Within Nepal, political unrest and economic deterioration are likely to increase.

The Indian Government, which had strongly supported Koirala, may decide to lend covert support to democratic elements should Mahendra fail to restore representative government in the near future.

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